



STATE OF MARYLAND

DHMH

Maryland Department of Health and Mental Hygiene
Developmental Disabilities Administration (DDA)

201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – Joshua M. Sharfstein, M.D., Secretary

Room and Board Procedural Changes

Transmittal #: DDA2014011

Effective Date: 07/01/2014

CONTENTS

Audience	1
Purpose	1
Definition	1
Treatment of Room & Board Costs	2
Applicability to Eligibility Categories	2
Room and Board Costs and Provider Payments	2
Room and Board and Vacation/Absent Days	3
Federally Subsidized Programs and DDA Residential Services	3
Nutrition Assistance Programs	3
HUD Voucher Recipients	3
Section 8 Housing	3
Uncollectible Room and Board Funds	4
Individuals with Insufficient Income	4

AUDIENCE

- Residential Service Providers
- Resource Coordinators
- Eligible participants receiving residential services

PURPOSE

- This guidance seeks to clarify procedures and definitions of room and board costs
- This procedural guidance details the steps that must be taken by providers beginning by July 1, 2014, to calculate and collect room and board payments from residential participants.

DEFINITION

According to the 1915 (c) Home and Community Based Waivers technical guidance, the term “room” means shelter type expenses, including all property-related costs such as rental or purchase of real estate and furnishings, maintenance, utilities, and related administrative services. The term “board” means three meals a day or any other full nutritional regimen.

Utilities should be considered basic services that include: water, electricity, gas/oil, sewage, trash disposal and local telecommunications.

TREATMENT OF ROOM & BOARD COSTS

Title 42 Code of Federal Regulation §441.310(a)(2) prohibits the State from making Medicaid payments for room and board (i.e., housing, food, and utility costs) except when the participant is receiving institutional respite outside his/her private residence or when the participant requires a live-in caregiver.

The Developmental Disability Administration, Maryland's Medicaid State Agency, governs and finances the administration of home and community based services in accordance with DDA's Community Pathways Medicaid Waiver. Under the waiver, a provider may charge their residential recipients up to \$375 per month for room and board. Appendix I-6, of DDA's 1915 (c) Home and Community Based Waiver guides the treatment of room and board costs:

"Waiver providers are expected to bill waiver participants for room and board expenses. Upon enrollment in the program, waiver providers sign an agreement that states that room and board costs are not included in Community Pathways waiver rates and waiver participants will be billed for room and board costs. The charge cannot exceed \$375 monthly. Additionally, DDA sends a letter to waiver providers indicating the waiver services that are authorized for each waiver participant as they are enrolled in the program and as services change or are re-authorized thereafter. This letter also states that the waiver provider will charge room and board costs to the waiver participant."

The DDA waiver states that a provider may charge an individual up to \$375 for room and board expenses. The limitation on room and board charges, of \$375, applies to all individuals enrolled in the waiver. This means that the provider may bill and collect up to \$375 of the total room and board costs, such as housing, food, water, electricity, gas/oil, sewage, trash disposal, and local telecommunications. The individual's room and board payment reimburses providers for those costs. The DDA is not financially liable for any costs not covered by the individual.

It is at the provider's discretion to bill and charge for room and board costs in accordance with waiver regulations. The DDA encourages providers to contract with an individual receiving residential services for room and board payments, through the provider agreement, to clearly define the methodology of calculating and collecting an individual's room and board payments. If providers have questions regarding how to develop and execute provider agreements, the DDA suggests working with other providers and provider organizations to do so.

APPLICABILITY TO ELIGIBILITY CATEGORIES

All individuals enrolled in the waiver are responsible for paying \$375 for room and board costs to their residential provider.

For individuals who are not participating in the waiver, paying for room and board costs depends on the provider agreement:

- If they have a provider agreement in place that permits it, then the provider may collect the room and board amount;
- If they do not have a provider agreement in place that permits it, then the provider may not collect any funds from the individual

ROOM AND BOARD COSTS AND PROVIDER PAYMENTS

Since Medicaid does not make payments for room and board costs, the amount of \$375 a month must be reduced from DDA payments to providers of residential services. Historically, the room and board amount was deducted from the provider payment in conjunction with contribution to cost of care in the form of one monthly amount. Room and board costs will

continue to be subtracted from provider payments in accordance with historical DDA payment practices. However, the method of the reduction will change. Given that rates for residential services are daily rates, the daily room and board amount of \$12.33 ($= \$375 * 12\text{months} / 365\text{ days}$) will be subtracted from all payable days. The DDA adjustment to the residential daily rates is not meant to equal the participant's room and board payment on a monthly basis.

ROOM AND BOARD AND VACATION/ABSENT DAYS

All individuals who are in service or expected to return to service should pay their monthly room and board charge (up to \$375) in full, regardless of vacation or absence days, to their DDA residential provider. Service is considered ended when the residential service placement has been ended in PCIS2. If an individual is in service or is expected to return to service for any day in a month, the individual is responsible for paying the full room and board charge. In other words, if an individual is absent for any day(s) during the month, the individual is still responsible for paying their full room and board charge.

For individuals who move to a new residential provider during a month, room and board should be prorated, based on days, and paid to each provider accordingly, not to exceed \$375 a month. For individuals who move in or out of services, it is at the provider's discretion to determine the appropriate room and board charge for that month (up to \$375).

FEDERALLY SUBSIDIZED PROGRAMS AND DDA RESIDENTIAL SERVICES

DDA waiver participants may apply and use other federally funded programs so long as those programs do not duplicate funding of services and costs provided by the DDA. Because the DDA Medicaid waiver does not pay for room and board costs, federal housing benefits and nutrition assistance programs that residential participants qualify for may be used to offset costs for providing food and housing.

NUTRITION ASSISTANCE PROGRAMS

For individuals receiving benefits from food assistance programs, such as the Supplemental Nutrition Assistance Program (SNAP/Food Stamps), recipients may use benefits to purchase food in addition to meals provided by their residential facility, or may give the residential provider the benefits to purchase food for their meals. The receipt of food assistance benefits does not affect the room and board charge of \$375.

HUD VOUCHER RECIPIENTS

The Housing Choice Voucher Program, also known as the HUD Voucher, provides tenant-based rental assistance by subsidizing a portion of the individual's actual rent costs. For individuals whose HUD subsidized rent is higher than \$375, the residential provider may not collect any funds from the individual. For individuals whose HUD subsidized rent is lower than \$375, providers may collect the difference in the individual's rental contribution and \$375. For example:

- If an individual's HUD subsidized rent is \$200, then the individual pays the landlord \$200 and the residential provider may bill the individual up to \$175
- If an individual's HUD subsidized rent is \$400, then the individual pays the landlord \$400 and pays nothing to the residential service provider

SECTION 8 HOUSING

Section 8 of the Housing Act of 1937 (42 U.S.C. § 1437f), often known as Section 8, authorizes the payment of rental housing assistance to private landlords on behalf of low-income households in the United States. Residential providers may apply for Section 8 for assistance to offset the cost incurred for providing shelter-type expenses to DDA residential

participants. Under Section 8 housing, a tenant's rental contribution is calculated. In circumstances where the tenant's rent is calculated higher than \$375 for individuals enrolled in the waiver, the provider may charge the individual up to \$375. Any remaining cost must be paid by the provider. If the tenant's rent is calculated lower than \$375, then the provider may still collect up to \$375. This additional collection, up to a total of \$375, may account for other shelter type expenses and board.

Additional guidance for providers and individuals receiving housing benefits through HUD programs will be forthcoming.

UNCOLLECTIBLE ROOM AND BOARD FUNDS

Prior year uncollectible funds may now be reported on a provider's cost report for reimbursement by the DDA through the end of the year reconciliation. To substantiate uncollectible funds, the provider should maintain documentation to demonstrate concerted attempts to collect funds from the individual and the refusal or lack of funding for the individual to pay the provider. Providers should submit any evidence they believe substantiates their right to reimbursement of room and board costs through DDA general funds. It is at the DDA's discretion to approve reimbursement of room and board costs on a case by case basis. Documentation includes but is not limited to the following:

- Communication to/from the individual's representative payee
- Communication to/from the Social Security Administration
- Communication to/from the individual's family or advocates

An updated cost report format will be published and distributed for reporting these uncollectible funds at the end of state fiscal year 2014.

INDIVIDUALS WITH INSUFFICIENT INCOME

Residential participants who consistently have insufficient gross income to pay their room and boards charges should work with their resource coordinators to access all federal and local assistance programs.

State-Only Support for Monthly Room and Board Costs

In order to support the participation of individuals in community life, the state has made an exception to room and board costs for individuals with exceptionally low income or temporarily lower income as a result of an SSI repayment. For individuals with less than \$450 in gross income, the individual may retain \$75 in personal use funds and pay the remainder of the income towards room and board charges. The DDA will fund, with state-only dollars, any remaining balance of the room and board charges. In these situations, the provider should claim the DDA-funded room and board costs (up to \$375) on the end of the year cost report. Examples:

- Scenario 1
 - If an individual has \$100 in income:
 - The individual retains \$75 in personal use funds
 - The individual pays \$25 to their residential provider for room and board charges
 - DDA uses state- only dollars to pay \$350 for the individual's room and board charges
 - The provider claims \$350 in room and board costs on their end of the year cost report
- Scenario 2
 - If an individual has \$400 in income:
 - The individual retains \$75 in personal use funds
 - The individual pays \$325 to their residential provider for room and board charges
 - DDA uses state-only dollars to pay \$50 for the individual's room and board charges
 - The provider claims \$50 in room and board costs on their end of the year cost report